

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (04/21)
BUTTER: Grade AA closed at \$1.1700. The weekly average for Grade AA is \$1.1540 (+.0071).

CHEESE: Barrels closed at \$1.1325 and blocks at \$1.1600. The weekly average for barrels is \$1.1260 (+.0010) and blocks, \$1.1600 (N.C.).

BUTTER: Early this week, the CME cash butter price dipped to \$1.1450, the lowest level since September 2003, but then increased to \$1.1700 by week's end. Cream supplies over the past holiday weekend were heavier, although not as heavy as some butter producers anticipated. Pricing multiples held generally steady, but overall prices were lower due to a lower weekly CME cash butter average (the basis for most cream pricing). Early in this week, surplus offerings declined as ice cream producers and other Class II buyers resumed manufacturing schedules following a few down days during the holiday weekend. In most instances, butter production is surpassing demand, thus inventories continue to build. Looking back over the recent holiday period, butter handlers indicate that overall butter sales were better than earlier reported. Some last minute features in various markets across the country absorbed additional stocks that were previously not planned for. Butter demand this week is lighter as buyers assess inventories before returning to the market. Butter handlers and suppliers speculate that as long as the cash price remains in this current narrow range, buyers will probably place smaller orders versus carry an inventory.

CHEESE: The cheese market is steady. For most buyers, downside price risk appears minimal. Buyers are reviewing recent holiday movement and are planning for Memorial Day weekend and summer promotions. Pizza promotions are keeping mozzarella supplies tight to adequate. Spot load offerings seem minimal considering the volume of milk entering cheese production. Traders are clearing sizeable volumes of undergrades. Current cheese production is steady to heavier, reflecting milk supplies. The Kansas City Commodity office announced Solicitation number BCD3-011 seeking between 9,239,000 and 16,880,000 pounds of barrels for July 2006 – June 2007 delivery. Offers are due April 26.

FLUID MILK: Milk production is mostly steady to a little lower along the southern tier of states, increasing in the mid-tier and steady to slightly higher in the northernmost areas. Grass and pasture growth in the more northern areas is slow to develop, while quite good in warmer areas. Late-year hay and feed supplies are a concern in some areas. Surplus milk volumes are more than ample and most manufacturing plants are operating on extended levels. This week's *Milk Production* report indicates to most contacts that milk volumes will continue to run well ahead of year ago figures for the first six or seven months of the year. The fluid cream market is still weak and demand is not improving as many in the market had hoped. Supplies are excessive and spot demand is fair at best. The warmer weather is helping boost consumption of soft serve mix. Hard ice cream production ranges from steady to improving.

DRY PRODUCTS: The NDM market is weak. Production continues to climb in most areas of the country and is often outpacing demand. With producer stocks growing and the expectation of continued higher milk production, NDM producers in each region offered a total of 8.6 million pounds to CCC this week. Commercial demand is lackluster. Contacts report that the market is highly competitive. The dry whey market is also weak, but price declines have been more moderate in recent weeks. Speculation by many contacts has prices "settling in the twenties" in the coming weeks and spot buyers are waiting. Production levels are steady and inventories are accumulating at both the plant and resale levels. The dry buttermilk market is weak. Prices

are being discounted to stimulate interest. Producer stocks are growing in most parts of the country. The WPC market remains weak. Offerings are available from both producers and resellers, often at lower prices. Production is steady. The lactose market is the one bright spot in the dry dairy product market. Prices are mostly steady. Supplies range from short to adequate and demand is good.

CCC: During the week of April 17 - 21, the CCC purchased 8,560,408 pounds of NDM. Western producers offered 6,283,427 pounds; 2,184,050 pounds came from the East; and 92,931 pounds of medium heat came from the Central region.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for May 2006 is \$10.97, down \$.25 from April. This price is derived from the advanced Class III skim milk pricing factor of \$6.90 and the advanced butterfat pricing factor of \$1.2331 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for May is \$6.94 and the Class II nonfat solids price is \$0.7711 per pound. The following are the two-week product price averages: butter \$1.1426, nonfat dry milk \$0.8400, cheese \$1.1698, and dry whey \$0.3056.

MARCH MILK PRODUCTION (NASS): Milk production in the 23 major states during March totaled 14.6 billion pounds, up 5.5% from March 2005. February revised production, at 13.0 billion pounds, was up 5.9% from February 2005. The February revision represented a decrease of 7 million pounds from last month's preliminary production estimate. Production per cow averaged 1,773 pounds for March, 66 pounds above March 2005. The number of milk cows on farms was 8.22 million head, 124,000 head more than March 2005, and 17,000 more than February 2006. U.S. milk production during the January-March quarter totaled 45.5 billion pounds, up 5.0% from the same period last year. The average number of milk cows in the U.S. during the quarter was 9.09 million head, 91,000 head more than the same period last year.

2005 MAILBOX MILK PRICES (DAIRY PROGRAMS): For 2005, mailbox prices for selected reporting areas in Federal milk orders averaged \$14.98 per cwt., \$0.92 lower than the all-area average reported for 2004. The component tests of producer milk in 2005 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased from the record high levels in 2004 in all areas. Florida had the highest average price in 2005, \$17.58; New Mexico had the lowest average, \$13.23. During the year, mailbox prices peaked in January, generally decreased through June, generally increased through October, and then decreased through the end of the year. Monthly all-area averages ranged from \$15.89 in January to \$14.13 in June. The all Federal Orders average at \$14.98 is \$1.10 more than the California average.

MARCH FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): During March about 10.9 billion pounds of milk were received from producers. This volume of milk is 4.5% higher than the March 2005 volume. In March 2005, there was a significant volume of milk not pooled due to intraorder disadvantageous price relationships. About 4.0 billion pounds of producer milk were used in Class I products, 3.5% higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2006 as compared to 2005. The all-market average Class utilizations were; Class I = 36%, Class II = 12%, Class III = 40%, and Class IV = 12%. The weighted average statistical uniform price was \$12.67, \$0.88 lower than last month and \$2.72 lower than last year.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

PRODUCT	MONDAY APRIL 17	TUESDAY APRIL 18	WEDNESDAY APRIL 19	THURSDAY APRIL 20	FRIDAY APRIL 21	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1225 (N.C.)	\$1.1225 (N.C.)	\$1.1225 (N.C.)	\$1.1300 (+.0075)	\$1.1325 (+.0025)	(+.0100)	\$1.1260 (+.0010)
40# BLOCKS	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1600 (N.C.)	\$1.1600 (N.C.)	(N.C.)	\$1.1600 (N.C.)
BUTTER GRADE AA	\$1.1475 (N.C.)	\$1.1450 (-.0025)	\$1.1475 (+.0025)	\$1.1600 (+.0125)	\$1.1700 (+.0100)	(+.0225)	\$1.1540 (+.0071)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

CHICAGO MERCANTILE EXCHANGE

MONDAY, APRIL 17, 2006

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: NONE; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.1400; OFFERS UNCOVERED: NONE

TUESDAY, APRIL 18, 2006

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.1500; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 2 CARS GRADE AA: 1 @ \$1.1450, 1 @ \$1.1425; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.1450, 2 @ \$1.1425, 1 @ \$1.1400; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 19, 2006

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: NONE; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$1.1475, 2 @ \$1.1450, 1 @ \$1.1425, 1 @ \$1.1400; OFFERS UNCOVERED: NONE

THURSDAY, APRIL 20, 2006

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.1600; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1300; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 1 CAR GRADE AA @ \$1.1600; BIDS UNFILLED: 8 CARS GRADE AA: 2 @ \$1.1575, 1 @ \$1.1550, 1 @ \$1.1525, 2 @ \$1.1500, 2 @ \$1.1475; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 21, 2006

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1325; 2 CARS 40# BLOCKS @ \$1.1500; OFFERS UNCOVERED: NONE
 BUTTER — SALES: NONE; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.1700, 1 @ \$1.1650, 1 @ \$1.1625, 6 @ \$1.1600; OFFERS UNCOVERED: NONE

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.8900 and Grade A at \$0.8875. (The last price change for Extra Grade was January 24 and Grade A occurred February 1.) The weekly average for Extra Grade is \$0.8900 (N.C.) and Grade A is \$0.8875 (N.C.).

BUTTER MARKETS

NORTHEAST

The butter market remains weak. Churning activity is heavy and bumped up slightly during the long holiday weekend. Easter weekend was extended by Patriot's Day in New England. These holidays pushed more milk through butter/powder plants and lessened Class II cream usage, which pushed more excess cream to churns. The CME cash price declined to \$1.1475 on 4/11, which is the lowest level of the year. Food service orders have slowed following last weekend. Retail orders are also slower. Demand for bulk butter remains lackluster. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

Early in the week, the cash butter price once again dipped to the lowest level thus far this year, but increased slightly at midweek to settle at \$1.1475. Cream supplies over the past holiday weekend were heavy, but not as heavy as most anticipated. Pricing multiples were generally steady although overall prices were lower as the CME weekly butter average for last week was lower. Butter producers and handlers continue to have mixed opinions on the direction of the market. Some butter producers point to the March milk production report and state with milk volumes this strong for this time of the year, their surely is no strength to future prices. Churning activity at most plants is at or very near capacity levels. With active churning, demand is not keeping pace with output, thus inventories continue to increase. Looking back over the recent holiday period, butter handlers indicate that overall butter sales were better than earlier reported. Retail feature activity, which was lower than anticipated, did clear good volumes of print butter for some producers and handlers. Some buyers are placing orders this week, but the majority of butter sales are slow. Most buyers are assessing their

inventories following the holiday period. Some traders and handlers anticipate that future butter orders will be lighter and generally for immediate or near term use. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

WEST

The cash butter price at the CME has been at or below \$1.15 for seven trading sessions. The butter support price is \$1.05. Contacts are not certain if the market will get down to that level, but they certainly consider it a possibility. There was more feature activity noted immediately before the Easter holiday so sellers believe that sales were pretty good. Food service orders were good. Cream supplies and churning are heavy. Stocks are expected to continue to grow. CME weekly butter stocks for last week grew by 4.3 million pounds to stand at 124.3 million pounds. Normally, at some point near Easter, stocks decline for a short period of time. That did not happen this year. Stocks have increased for 16 consecutive weeks, growing by 97.3 million pounds during that period. This is a weekly average increase of 6.1 million pounds. Quota butter imports for the first three months of the year total 3.1 million pounds which is 62% of the total for the same period last year. Imports are at 20% of the annual import total. The majority of the butter imports have New Zealand as their origin. Imports of High-Tier butter (above quota and with a penalty) total 333,500 pounds for the January-March time frame. This is 72% higher than for the same period last year. A good explanation is not apparent as to why these shipments are this much heavier since domestic prices have not generally been high enough to make the numbers work. Prices for bulk butter range from 3 cents under to 5 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
APRIL 15	1.1684	1.1454	0.8391	1.1384	0.3030
	7,597,901	10,117,510	16,968,003	1,873,127	11,455,152

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are generally lower and the market tone is mixed. Demand for some cheeses is quite good while sales of others like cheddar and other natural items are slowing. Mozzarella orders are holding up quite well and process is improving along seasonal patterns. Cheese output in the Northeast is still heavy as milk supplies remain above year a go levels and surplus milk is expected to increase through the second quarter. Retail sales are fair, best when and where featured. Food service orders are slower following the good Easter weekend.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2425-1.7625
Cheddar Single Daisies	:	1.2000-1.6850
Cheddar 40# Block	:	1.3000-1.5725
Process 5# Loaf	:	1.3350-1.5750
Process 5# Sliced	:	1.3550-1.5825
Muenster	:	1.3150-1.5175
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is steady. Current demand seems to be just coasting along, not overly aggressive or slow. A few plants are planning to run a few lines (often shreds) on Saturday to make up for recent holiday downtime. Best interest seems to continue on mozzarella with pizza promotional activity fairly widespread. Mozzarella supplies are just adequate with some plants committed into next month. Some processors continue to turn to the heavier use of undergrades to supplement tight barrel supplies. Process interest is fairly good with some retail feature activity occurring. Natural chunk demand is increasing from some retail accounts. Despite heavy milk production levels, good quality current cheese supplies don't seem burdensome. If needed, buyers can generally find a load or two of the basic varieties, but multi-load lots don't seem to be available. Cheese production is steady to just occasionally higher. Few, if any, plants in the upper tier of states are seeing the affect of fresh pasture or green chop on yields (sharp declines). Plant operators continue to worry about having adequate plant capacity to handle projected spring peak milk intakes.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3950-1.6100
Brick And/Or Muenster 5#	:	1.6400-1.7050
Cheddar 40# Block	:	1.4900-2.2650
Monterey Jack 10#	:	1.6400-2.2650
Blue 5#	:	2.0100-2.3200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.3350-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.3050-2.8300

**WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

	BUTTER	:	CHEESE
		:	
04/17/06	39,400	:	132,875
04/01/06	35,285	:	131,361
CHANGE	4,115	:	1,514
% CHANGE	12	:	1

WEST

The cash price for blocks at the CME market has held at \$1.16 for the last nine trading sessions. The support price is \$1.1314 and contacts wonder if the market may yet fall to that level since Easter is past and milk production is extremely heavy. Plants in the West ran full over the recent holiday period, but were able to process available milk supplies efficiently. Cheddar demand is fair to good as the market prices have eased lower again. Buyers don't see a lot of downside risk being this near support. Some buyers have shifted loads of cheese scheduled for May back into April as demand is better than anticipated. They are having trouble finding additional cheese to fill in for May and June now with July still available. Food service interest seems to be in better shape than at the retail level. Pizza promotions are noted from the major chains to keep product moving and this is helping to clear mozzarella supplies. Product is still going into the freezer and very little has come back out. Swiss sales are being called very good for this time of the year. Total quota imports of cheese for the first three months of the year have reached 61.0 million pounds, which is 79% of the amount imported for the first three months last year. Imports stand at 20% of the annual quota. Imports of High-Tier cheese (above quota and with a penalty) total 8.1 million pounds, up 65% from the same period in 2005. It is uncertain why these imports are this heavy with the domestic prices recorded so far this year. Swiss quota imports total 13.8 million pounds, behind last year, and at 18% of the annual quota.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2775-1.5350
Cheddar 40# Block	:	1.2800-1.6325
Cheddar 10# Cuts	:	1.4600-1.6800
Monterey Jack 10#	:	1.4700-1.6300
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.7000

FOREIGN

Prices are steady to lower and the market tone is slowing along seasonal patterns. Orders are steady to slower now that Easter is behind us. Cheese supplies are more than adequate to cover current needs. Recent reports indicate the imports of cheese subject to licensing requirements during the first three months of 2006 total 27.67 million Kg., 21.0% less than the same periods last year. Imports of high-tier cheese during the same period totaled 3.68 million Kg., 64.8% more than a year ago.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

			NEW YORK	
VARIETY	:	IMPORTED	:	DOMESTIC
Roquefort	:	TFEWR	:	-0-
Blue	:	2.6400-4.4300	:	1.5550-3.0450*
Gorgonzola	:	3.6900-5.9400	:	2.0650-2.4900*
Parmesan (Italy)	:	TFEWR	:	2.9700-3.0750*
Romano (Italy)	:	2.1000-3.1900	:	-0-
Provolone (Italy)	:	3.4400-6.0900	:	1.5550-1.7925*
Romano (Cows Milk)	:	-0-	:	2.7550-4.8950*
Sardo Romano (Argentina)	:	2.8500-3.2900	:	-0-
Reggianito (Argentina)	:	2.6900-3.2900	:	-0-
Jarlsberg-(Brand)	:	3.1200-4.1500	:	-0-
Swiss Cuts Switzerland	:	-0-	:	2.4500-2.6500
Swiss Cuts Finnish	:	2.5900-2.8500	:	-0-
Swiss Cuts Austrian	:	TFEWR	:	-0-
Edam	:		:	
2 Pound	:	TFEWR	:	-0-
4 Pound	:	2.1900-3.5600	:	-0-
Gouda, Large	:	TFEWR	:	-0-
Gouda, Baby (\$/Dozen)	:		:	
10 Ounce	:	27.8000-31.7000	:	-0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	130	0	97	0	173
SOUTHEAST STATES	0	0	0	0	0	0

March milk production in the 23 major states totaled 14.58 billion pounds, up 5.5% from March 2005. The following are the March - March changes for selected states: Pennsylvania +5.4%, New York +4.0%, Virginia +2.5%, Vermont +0.9%, Kentucky +0.8%, and Florida -6.6%. Regional Milk Market Administrators announced the following, March 2006 uniform prices: Northeast \$13.43, Mideast \$12.36, Appalachian \$14.13, Southeast \$13.77, Florida \$15.41 and Western New York (a state order) \$12.87 at the base city or county in the orders. Milk production is increasing in most areas of the East. Output is slowing in some Gulf Coast States where temperatures are increasing and rain is needed. Florida's milk flow was reported to be at the peak last week, but contacts report that cooler weather did "bump up" the milk flow this week. In the Middle Atlantic region, milk production levels are increasing as the weather improves. The milk flow in the northernmost areas is showing more signs of increasing as spring-like weather is here. Fluid milk supplies are excessive of the slow to fair Class I needs and surplus milk volumes remain heavy. Monday, April 17, was Patriot's Day in Massachusetts, which is a local holiday and schools are closed much of this week. This coincided with Easter weekend when many schools throughout the East were recessed Friday and/or Monday. This loss of bottled milk sales forced more milk into manufacturing channels. However, contacts did report that milk receipts at manufacturing plants, though heavy, were a little lighter than they had anticipated. Some lessening of milk shipments from the Southwest eased the pressure on Southeastern manufacturing plants. The condensed skim market is steady and few spot sales have been noted. Prices are mixed, mostly steady. The fluid cream market was sluggish over the holiday weekend, but showing signs of improvement at midweek. Spot prices are generally lower as the CME weekly average for butter declined about 1.5 cents and multiples held. Class II demand was slower as many ice cream operations were down for a long weekend. Reportedly, others have slowed their output in an effort to reduce inventories. Better weather is giving soft serve mix sales a boost. Cream cheese production and sales are slowing along typical post-Easter patterns. Production bottled cream, dips, and sour cream is mostly slower. Churning activity is heavy as most local butter makers are operating 6-7 days per week.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3189-1.4910
DELIVERED EQUIVALENT ATLANTA	-	1.3419-1.5024 M 1.3763-1.4451
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3533-1.4336

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .8900-.9800
NORTHEAST- CLASS III - SPOT PRICES	- .8800-.9500

M I D W E S T

Class I demand generally remains sluggish after the holiday weekend, though some upcoming weekend retail promotions were planned. Milk supplies remain ample with milk buyers well aware of the spot availability. Cream demand is about steady from ice cream and lighter from churns. Most ice cream producers are still trying to build inventory though one operation is starting to ease back a bit. For ice cream producers, the lower cream cost compared to recent years, is offset by sharply higher sugar prices. Reported spot manufacturing milk prices range from flat class to flat class minus the transportation cost to the buyer for local supplies. Larger discounts are available on out of area offerings. The cheese makers' convention in Madison next week is likely to again impact spot milk interest with many out of the plant for a day or more. Current milk intakes are steady to slightly higher where recent declines were noted. Fat and protein levels are steady to just slightly lower. It is still too early/cold, to show the affect of fresh pasture on most grazed herds without stored feed supplements. Whether they have enough plant capacity to handle their projected annual spring intake remains on the mind of most manufacturing plant managers. Regardless, manufacturing plant capacity is expected to be tested this spring. A few are already scouting out anticipated discounts to clear extra volumes to competitors. Few, if any, plants are reportedly interested in adding a new producer at the current time though some have a waiting list for later. While some early corn is being planted in Wisconsin on high ground and light soils, most planters remain parked for warmer and dryer conditions. More effort is being used on finishing seeding and small grains. Estimated

March milk production in selected Midwestern states with all selected states above March 2005: Wisconsin, 2.01 billion pounds, 87 million pounds (4.5%); Minnesota, 734 million pounds, 20 million pounds (2.8%); Michigan, 599 million pounds, 35 million pounds (6.2%); Texas, 656 million pounds, 85 million pounds (14.9%); Iowa, 362 million pounds, 19 million pounds (5.5%); and Indiana, 289 million pounds, 64 million pounds (9.1%).

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 48.00- 53.50	\$ 55.00- 63.00
REPLACEMENT HEIFER CALVES	\$300.00-635.00	\$250.00-700.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	\$ 47.50- 55.00	\$ 57.00- 66.00

W E S T

Milk production in the 23 Selected States for March totals 14.6 billion pounds, up 5.5% from March 2005. Cow numbers for these states increased 124,000 head from last year (1.5%) and 17,000 head from last month. Cow numbers have increased 56,000 head in the last four months, since the end of the last CWT herd buyout. Production per cow increased 66 pounds (3.9%). Milk production changes for selected Western states compared to last year are: Arizona +5.6%, California +6.2%, Colorado +8.2%, Idaho +7.7%, New Mexico +15.1%, Oregon -1.5%, and Washington -2.5%. Productions per cow changes mirror the milk output noted and are: Arizona +4.3%, California +3.8%, Colorado +2.9%, Idaho n/c, New Mexico +6.7%, Oregon -1.8%, and Washington -2.0%. CALIFORNIA milk production is showing some effects from recent and continued wet weather conditions. The extent is quite variable and depends on several factors including the amount of rain, farm conditions and whether the cows are under cover. Holiday weekend related milk was handled better than expected across the state. Processors were pleasantly surprised and were working through heavy schedules into midweek. Reports from Northern California, where cows are pasture based, are showing the worst effects. Wet conditions are preventing cows from going onto pastures and cows are being fed older feedstuffs. Having to buy unanticipated feed needs is creating additional financial stress on these operations. Reports of some farms in this area being down double digit percentage wise from last year's levels are common. However the extent on the total California output is limited. The Central Valley has received a lot of rain also, but the effects have been mitigated by the cows being under the cover of free stall barns and also temperatures have been generally mild. Milk intakes have been flat for several weeks. The main thought is that conditions have flattened milk growth that would have occurred. The jury is still out on whether the peak has been put in for this year. With dryer and warmer temperatures forecast, this theory will be tested. Green chopping and hay harvesting have been delayed and will likely begin or resume in earnest this week. Milk in the southern region is holding steady. Fluid milk demand in the state has been sporadic as school and college breaks have been staggered across both sides of the holiday. ARIZONA milk production is leveling out at what may be the seasonal peak. Temperatures are moving higher and into the low 90's during the day and cooling into the 60's at night. Plants are generally running well and were able to process additional milk offerings over the past weekend. CREAM markets remain sloppy following the holiday weekend. Offerings remain heavy and are moving long distances for processing homes. Butter churners in the Midwest are continuing to offer only low multiples for cream. Local and out of region ice cream producers are not actively taking additional cream. In many parts of the West, the cold and rainy weather are limiting sales of both hard and soft-serve ice cream. Seasonal, cream based items have fallen off after the holiday. Cream multiples range from 91 to 119, FOB, and vary depending on class usage and basing point. Conditions are improving slowly in the PACIFIC NORTHWEST. Temperatures are warming and the rain has let up for the time being. Indications are that it will be slow going for farmers to get into their fields for various cropping practices. As the potential first cutting hay is pushed back, dairies are getting more concerned about having enough hay on hand until new crop is available. Milk output remains very heavy, but was handled reasonably well over the holiday weekend. Heifer prices at the monthly sale in Washington do not show any weakness in the market. In fact, the trading was called steady to firm. The volume was heavier than anticipated. The spring is slow in coming to most of the dairy areas in UTAH and IDAHO. Heavy snow fell over much of Utah early in the week. The potential for flooding is becoming worse each week as the temperatures remain cold. Moisture available for cropping looks excellent. There should be no limits on irrigation water in most of the region. The spring season looks like it will be late in arriving. This realization is putting more stress on dairies as they try to stretch dwindling hay supplies that are definitely lower than desired quality. The milk flow is not increasing very fast as it is being hampered by the late arriving spring weather. Heifer prices in the region have rebounded since the middle of March. The average at the two sales was either side of \$1885. That is about \$200 above a few weeks ago.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to lower on a steady to weak market. The ebbs and flows of milk have ceased with the passing of Easter and spring break sessions at grade schools and universities. As a result, milk intakes at NDM facilities are fairly steady with some noted increases during the holiday weekend. NDM production is reportedly not outpacing demand with movement occurring into both contractual and spot load accounts at steady prices. Supplies are most readily available from West coast handlers where shipping costs may hamper movement into the Central region. Condensed skim demand is fairly good into cheese facilities, diverting condensed skim movement into seasonal dryers at this time and point.

WEST: Prices are mostly steady this week, but some multi-load sales are noted at discounted (from the average) prices. The NASS average NDM price (the basis for most NDM sales) decreased about \$0.0018 last week. The market is highly competitive as traders comment that more buyers, even long-standing accounts, are "shopping" for the best deals. Offerings are more than ample and buyers see no reason to buy too far in advance. On April 19, Western producers offered about 6.3 million pounds of NDM to CCC. Buyers feel that continued offerings to CCC will have an impact on future NASS prices, which will lower the base price for most NDM sales. The market tone is weak. Production levels remain heavy as surplus milk supplies continue to rise in the East. The long holiday weekend caused more milk to move into butter/powder plants, but as bottlers get back on line this week, surplus volumes eased slightly. Powder is readily available from producers and resellers. Contract sales of both domestic and export is unchanged.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8300 - .8925 MOSTLY: .8300 - .8500
 HIGH HEAT: .8825 - 1.0200

NONFAT DRY MILK - WEST

Nonfat dry milk prices in the West are lower on both ends of the range, but the mostly is holding steady. The market tone remains weak. Offerings are heavy with powder available from most producers and a variety of traders. Many comments are heard about sales that are lost by pennies and not just fractions of a cent. There are unconfirmed reports of powder moving at prices significantly under the reported price range. Buying interest is subdued, in part because of buyers perceiving little price change risk in the near future. Exports are often slower than anticipated and levels are lower than last year. Domestic cheese producers continue to curtail usage of NDM and condensed skim and are busy processing the available milk supplies. Milk production remains heavy in the region. On April 19, the Western region offered 6,283,427 pounds of NDM to the government price support program. This is the first offering since the week of March 13. Western high heat prices are unchanged on limited sales. Seasonal accounts are taking expected volumes of high heat under contract. The supplies of high heat are limited for spot sales as producers work on throughput of the heavy volumes of milk solids.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .7800 - .8450 MOSTLY: .8050 - .8150
 HIGH HEAT: .8350 - .8800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 14	\$.8262	7,802,777	0
April 7	\$.8257	10,955,434	247,806

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower on a steady to weak market. Supplies are mixed. Some plants have a few loads and are comfortable in holding supplies and trading at the high side of the range. Others are building stocks and expressing concern in retaining supplies, resulting in trade at the lower end of the range. Interest in condensed buttermilk by ice cream manufacturers continues to mitigate production of dry buttermilk at some locations.

F.O.B. CENTRAL: .6800 - .7900

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices still trend lower as stocks build and demand remains lackluster. Northeastern prices are nominal. The lower prices do tend to be powder "with some age on it." The market tone is weak. Production levels are moderate to heavy, but many producers have less dryer-time to process buttermilk. Fortunately, demand for liquid/condensed buttermilk is starting to improve. Demand is seldom better than fair. Buyers are waiting for lower prices, but recent price declines have helped improve interest.

F.O.B. NORTHEAST: .6800 - .7500
 DELVD SOUTHEAST: .7200 - .7700

DRY BUTTERMILK - WEST

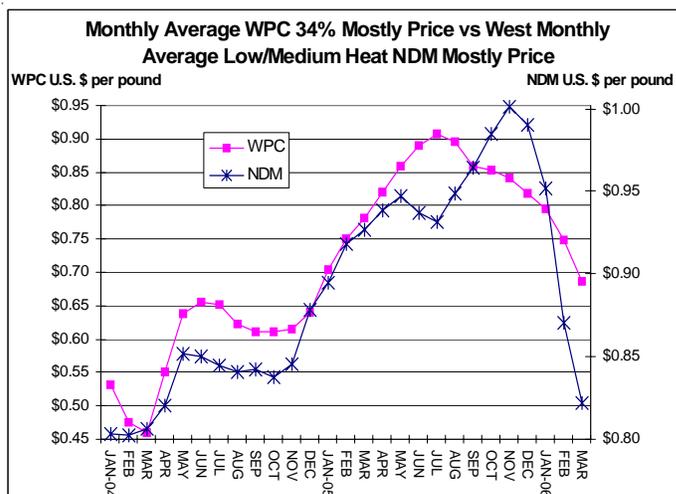
Western dry buttermilk prices are lower in light to moderate trading. The market undertone continues to be weak. Offering prices are often lower for multiple load offerings, but buyers are not very willing to take additional buttermilk at this time. Exporting interest is fair with lower prices generating additional looks. While markets may be weak, buyers realize that prices may not go that much lower. Offerings remain heavy as butter production is active and generating heavy volumes of condensed buttermilk available for processing. Stocks are moderate to heavy and available for all needs.

F.O.B. WEST: .6200 - .7000 MOSTLY: .6300 - .6600

DRY WHOLE MILK - NATIONAL

Prices are steady and remain nominal. Production levels are lighter as most plants' dryers are at near capacity levels making NDM. Plant stocks are closely balanced. The market tone is steady.

F.O.B. PRODUCING PLANT: 1.1500 - 1.2400



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged to lower on a steady to weak market. Some traders are indicating that the market seems more stable with reduced offerings available on the market. However, producer trades are being reported at a discount, especially for multiple loads into domestic or export markets. Production is generally steady with most plants running full. Offerings of condensed whey continue to be noted in the trade for the very light interest. Feed grade supplies are available for the good interest.

F.O.B. CENTRAL: .2800 - .2925 MOSTLY: .2850 - .2900
 F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2400 - .2700

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are fractionally lower and the market tone remains weak. Production levels are unchanged and heavy. Most cheese plants in the Northeast have ample volumes of milk available to them and contacts feel that the milk volumes will only grow during the next month or two. Producers continue to satisfactorily clear contracted volumes, but some are accumulating stocks at a faster-than-desired rate. Traders and buyers comment that they have no problem finding desired volumes of dry whey. Traders and producers comment again that this week's market activity is sluggish at best. Spot buyers are not very aggressive as they wait for better pricing.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2950 - .3350
 DELVD SOUTHEAST: .3100 - .3300

DRY WHEY - WEST

Western whey prices continue to weaken, but offerings are clearing in a regular manner. Stocks do not seem to be building at the producer level. Domestic and export sales are aggressive enough to keep the powder moving. Production is relatively heavy for this time of the year and that is expected to continue to be the case through the spring flush. The supply side is being increased by more whey solids ending up directly in the dryer to make sweet whey as opposed to moving into various filtration systems. The average of the mostly price last year for this week was 28 cents.

NONHYGROSCOPIC: .2900 - .3300 MOSTLY: .3000 - .3100

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are generally lower on a weak market. Offerings are noted both direct from the manufacturer and via resellers. Supplies are mixed with some manufacturers stating that they are in good balance whereas others are running long. Manufacturers that are in the best position are well contracted and as a result, able to garner a premium available spot loads. Export interest is good into Asia and Mexico. U.S. and Canadian WPC 80% are readily available to some end-users as a substitute to WPC 34%. However, with the added cost of whey or lactose required to dilute WPC 80%, many buyers find WPC 34% as more price attractive. Production is steady with offerings of condensed WPC noted into custom dryer operations and feed facilities. Feed grade supplies of WPC 34% and 80% are readily available for the light to fair interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .5800 - .6500 MOSTLY: .6050 - .6250

LACTOSE - CENTRAL AND WEST

Prices are unchanged to higher on a firm market. Spot supplies are limited for the very good interest. Some buyers are bidding above the range or offering to buy WPC in an attempt to garner a load of lactose. Buyers are also expressing concern over the availability of lactose in the second half of the year. Producers are not expecting any increased supply availability despite increased milk production and the potential availability of substitutes such as dry whey or dry permeate. Increased intakes of lactose are noted into some candy facilities in preparation for Halloween. Feed grade supplies are limited for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
 F.O.B. EDIBLE: .2400 - .3000 MOSTLY: .2500 - .2700

CASEIN - NATIONAL

Casein markets are generally steady, although prices continue to adjust slightly downward. Many traders and handlers indicate that supplies appear to be in pretty good balance with demand. Production in Oceania is basically finished for the season, thus orders are being filled from inventoried stocks. In Europe, output continues to increase as the milk production season develops. Manufacturers and handlers feel that although casein production as a whole will probably be lower this year, stocks should be sufficient for needs. Buyer demand and economics of production are causing some European producers to re-evaluate their milk distribution and reducing casein output. Reports of lower priced offerings to U.S. buyers continue in the marketplace.

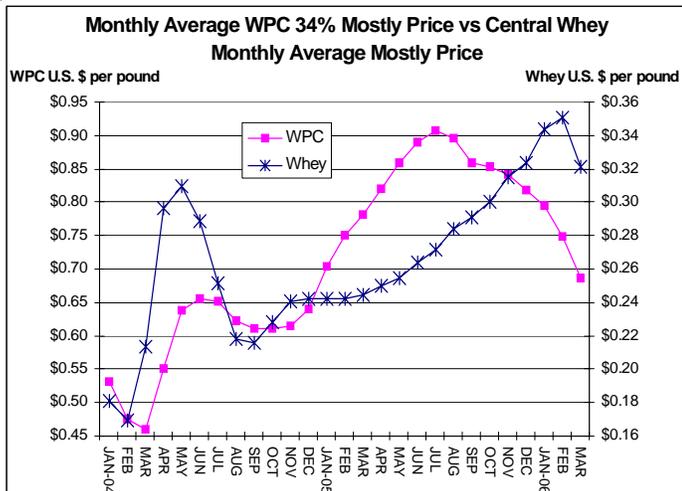
SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.0000 - 3.1000
 ACID: 3.0500 - 3.1500

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. Production levels continue to increase as milk volumes grow in all parts of the country. Retail sales are slow to fair, mostly slow. Producer inventories are growing, which is a typical pattern for spring when milk supplies are abundant. The market remains highly competitive.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$21.20 - 36.00
 Excluding promotional and other sales allowances. Included new price announcements.



MARCH MILK PRODUCTION

Milk production in the 23 major states during March totaled 14.6 billion pounds, up 5.5 percent from March 2005. February revised production, at 13.0 billion pounds, was up 5.9 percent from February 2005. The February revision represented a decrease of 7 million pounds from last month's preliminary production estimate. Production per cow in the 23 States averaged 1,773 pounds for March, 66 pounds above March 2005. The number of milk cows on farms in the 23 States was 8.22 million head, 124,000 head more than March 2005, and 17,000 head more than February 2006. Milk production in the U.S. during the January-March quarter totaled 45.5 billion pounds, up 5.0 percent from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.09 million head, 91,000 head more than the same period last year.

STATE	MILK COWS ^{1/ 2/}				MILK PRODUCTION ^{1/ 3/}			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	2005	2006	2005	2006	2006	% CHANGE FROM 2005	2006	% CHANGE FROM 2005
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	16	14	--	--	61	-4.7
AK	--	--	1.2	0.8	--	--	2.4	-33.3
AZ	164	166	164	166	360	5.6	1,016	4.9
AR	--	--	23	21	--	--	71	-7.8
CA	1,744	1,785	1,742	1,781	3,427	6.2	9,706	6.1
CO	102	107	101	106	212	8.2	607	9.6
CT	--	--	20	20	--	--	97	-2.0
DE	--	--	7.5	7.2	--	--	33.1	-2.6
FL	139	133	139	134	213	-6.6	602	-6.4
GA	--	--	83	78	--	--	379	---
HI	--	--	5.7	4.5	--	--	15.2	-14.1
ID	441	475	438	474	893	7.7	2,549	8.0
IL	105	104	105	104	179	2.3	509	1.2
IN	156	163	155	162	289	9.1	821	7.0
IA	191	200	190	200	362	5.5	1,041	5.9
KS	110	111	109	111	204	2.5	586	4.6
KY	107	101	109	101	123	0.8	348	-1.1
LA	--	--	36	33	--	--	119	-7.0
ME	--	--	33	31	--	--	140	-4.8
MD	--	--	73	70	--	--	292	-2.3
MA	--	--	17	16	--	--	72	-1.4
MI	309	315	308	314	599	6.2	1,728	6.6
MN	455	450	457	448	734	2.8	2,110	3.0
MS	--	--	26	23	--	--	97	-11.0
MO	119	115	118	114	173	3.6	487	4.1
MT	--	--	18	19	--	--	93	4.5
NE	--	--	60	60	--	--	277	3.4
NV	--	--	25	27	--	--	140	9.4
NH	--	--	16	16	--	--	77	2.7
NJ	--	--	12	12	--	--	48	-2.0
NM	322	347	320	344	663	15.1	1,879	16.0
NY	648	649	649	650	1,058	4.0	3,060	4.3
NC	--	--	55	52	--	--	249	-4.2
ND	--	--	33	33	--	--	131	2.3
OH	268	273	267	273	423	3.9	1,209	4.0
OK	--	--	75	75	--	--	304	-2.3
OR	121	121	120	121	195	-1.5	551	-1.8
PA	560	555	561	556	944	5.4	2,723	6.4
RI	--	--	1.0	1.0	--	--	4.6	---
SC	--	--	18	17	--	--	76	-6.2
SD	--	--	81	81	--	--	364	4.0
TN	--	--	72	69	--	--	284	-3.7
TX	318	328	318	326	656	14.9	1,826	14.7
UT	--	--	88	85	--	--	404	---
VT	143	143	143	143	230	0.9	663	1.2
VA	105	103	105	103	161	2.5	462	2.2
WA	239	238	237	237	471	-2.5	1,353	-1.4
WV	--	--	13	13	--	--	50	4.2
WI	1,233	1,241	1,234	1,240	2,010	4.5	5,779	4.7
WY	--	--	4.4	6.8	--	--	25.8	63.3
20 STATE TOTAL	8,099	8,223	--	--	14,579	5.5	--	--
U.S. ^{5/ 6/}	--	--	9,002	9,093	--	--	45,521	5.0

^{1/} Preliminary. ^{2/} Includes dry cows, excludes heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{5/} Includes states for which individual monthly estimates are not available. ^{6/} Milk cows will not add due to rounding. **SOURCE:** "Milk Production," Da 1-1 (4-06), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS
AND CALIFORNIA, 2005 ANNUAL AVERAGES, WITH COMPARISONS**

For 2005, mailbox prices for selected reporting areas in Federal milk orders averaged \$14.98 per cwt., \$0.92 lower than the all-area average reported for 2004. The component tests of producer milk in 2005 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased from the record high levels in 2004 in all areas. Florida had the highest average price in 2005, \$17.58; New Mexico had the lowest average, \$13.23. During the year, mailbox prices peaked in January, generally decreased through June, generally increased through October, and then decreased through the end of the year. Monthly all-area averages ranged from \$15.89 in January to \$14.13 in June.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/ 3/</u>		
	2004	2005	Change 2005 from 2004
	Dollars per cwt.		
Northeast Federal Milk Order	16.29	15.39	-0.90
Appalachian States <u>4/</u>	16.21	15.27	-0.94
Southeast States <u>5/</u>	16.79	15.96	-0.83
Southern Missouri <u>6/</u>	15.69	14.67	-1.02
Florida	18.28	17.58	-0.70
Ohio	15.92	15.06	-0.86
Indiana	16.03	15.03	-1.00
Michigan	15.58	14.78	-0.80
Wisconsin	16.57	15.35	-1.22
Minnesota	16.30	15.12	-1.18
Iowa	16.06	15.07	-0.99
Illinois	16.14	15.14	-1.00
Corn Belt States <u>7/</u>	14.79	14.03	-0.76
Western Texas <u>8/</u>	15.19	14.05	-1.14
New Mexico	14.11	13.23	-0.88
Northwest States <u>9/</u>	14.72	14.02	-0.70
All Federal Order Areas <u>10/</u>	15.90	14.98	-0.92
California <u>11/</u>	14.76	13.88	-0.88

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. 3/ All figures, except California, are weighted annual averages using the applicable monthly prices and producer milk receipts for the respective area or group of areas for which the price is reported. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 7/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Includes Oregon and Washington. 10/ Weighted average of the information for all selected reporting areas in Federal milk orders. 11/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." Annual average is the simple average of monthly prices.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, MARCH

Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March about 10.9 billion pounds of milk were received from producers. This volume of milk is 4.5 percent higher than the March 2005 volume. In March 2005, there was a significant volume of milk not pooled due to intraorder disadvantageous price relationships. About 4.0 billion pounds of producer milk were used in Class I products, 3.5 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2006 as compared to 2005. The all-market average Class utilization percentages were; Class I = 36%, Class II = 12%, Class III = 40%, and Class IV = 12%. The weighted average statistical uniform price was \$12.67 per cwt., \$0.88 lower than last month and \$2.72 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2006										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{2/}
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,063.9	2.0	935.3	3.1	45	19	21	15	13.43
Appalachian (Charlotte)	005	576.1	-5.6	369.1	-2.0	64	17	6	13	14.13
Southeast (Atlanta)	007	762.6	12.4	412.7	2.6	54	11	25	10	13.77
Florida (Tampa)	006	299.5	0.0	241.9	4.8	81	7	7	5	15.41
Mideast (Cleveland)	033	1,543.7	-7.2	585.9	7.1	38	16	40	6	12.36
Upper Midwest (Chicago)	030 ^{3/}	2,271.4	4.8	396.6	3.8	18	4	75	3	11.67
Central (Kansas City)	032	1,381.2	3.5	387.1	3.4	28	12	50	10	12.00
Southwest (Dallas)	126	1,002.0	27.7	365.2	6.0	36	13	28	23	12.95
Arizona-Las Vegas (Phoenix)	131	288.4	6.6	94.2	11.4	33	9	32	26	12.21
Pacific Northwest (Seattle)	124	678.4	19.2	185.7	-1.0	27	5	32	36	11.86
ALL MARKET AVERAGE OR TOTAL	<u>3/</u>	10,867.3	4.5	3,973.8	3.5	36	12	40	12	12.67

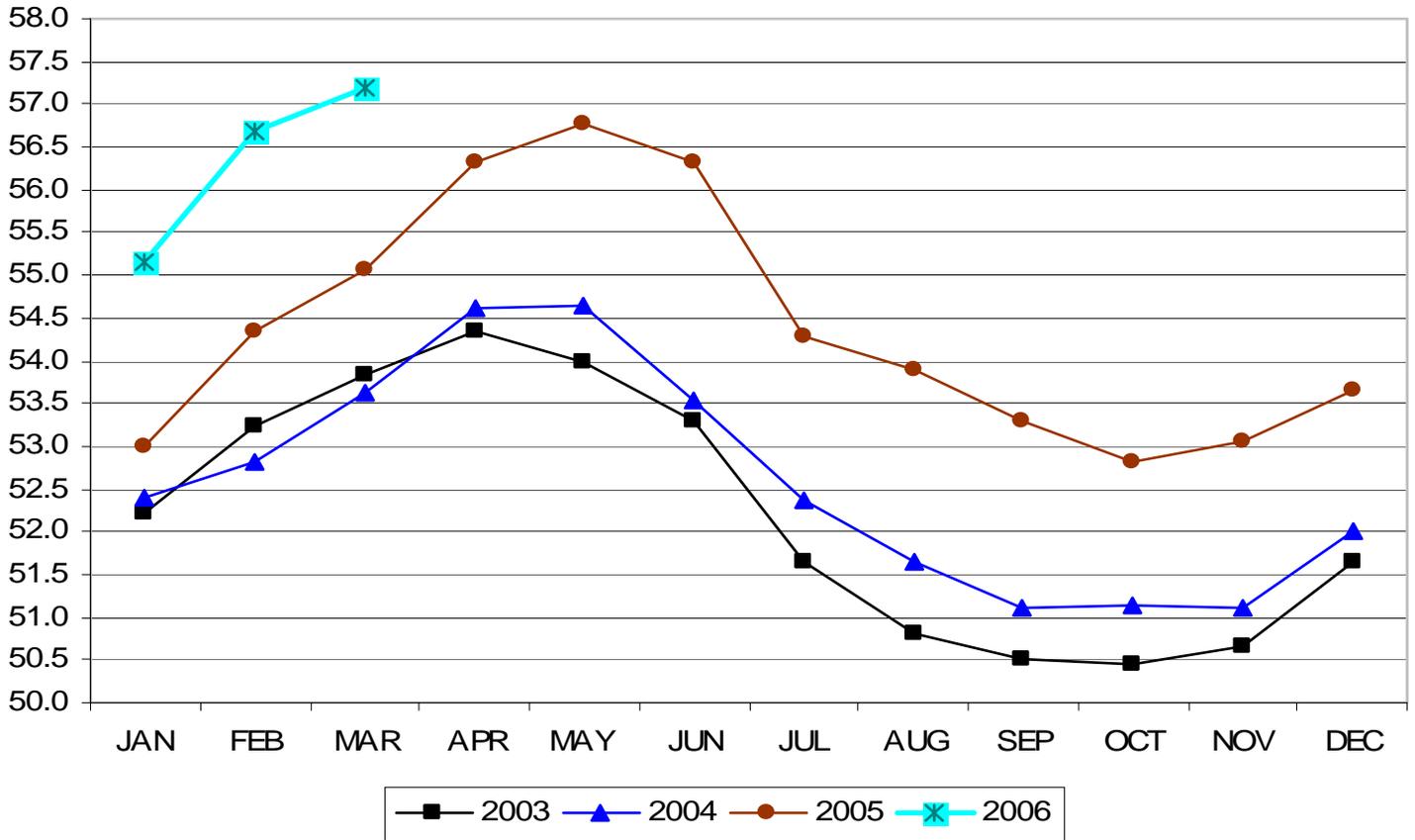
^{1/} Names in parentheses are the major city in the principal pricing point of the market.

^{2/} Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

^{3/} Due to a disadvantage relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in this market, handlers elected not to pool an estimated 40 million pounds of milk, that normally would have been associated with this market. In March 2005, the estimated not pooled volume of milk was 240 million pounds, occurring in Order Nos. 030, 126, and 124. After adjusting for these not-pooled volumes, the year to year percent change is +2.5%.

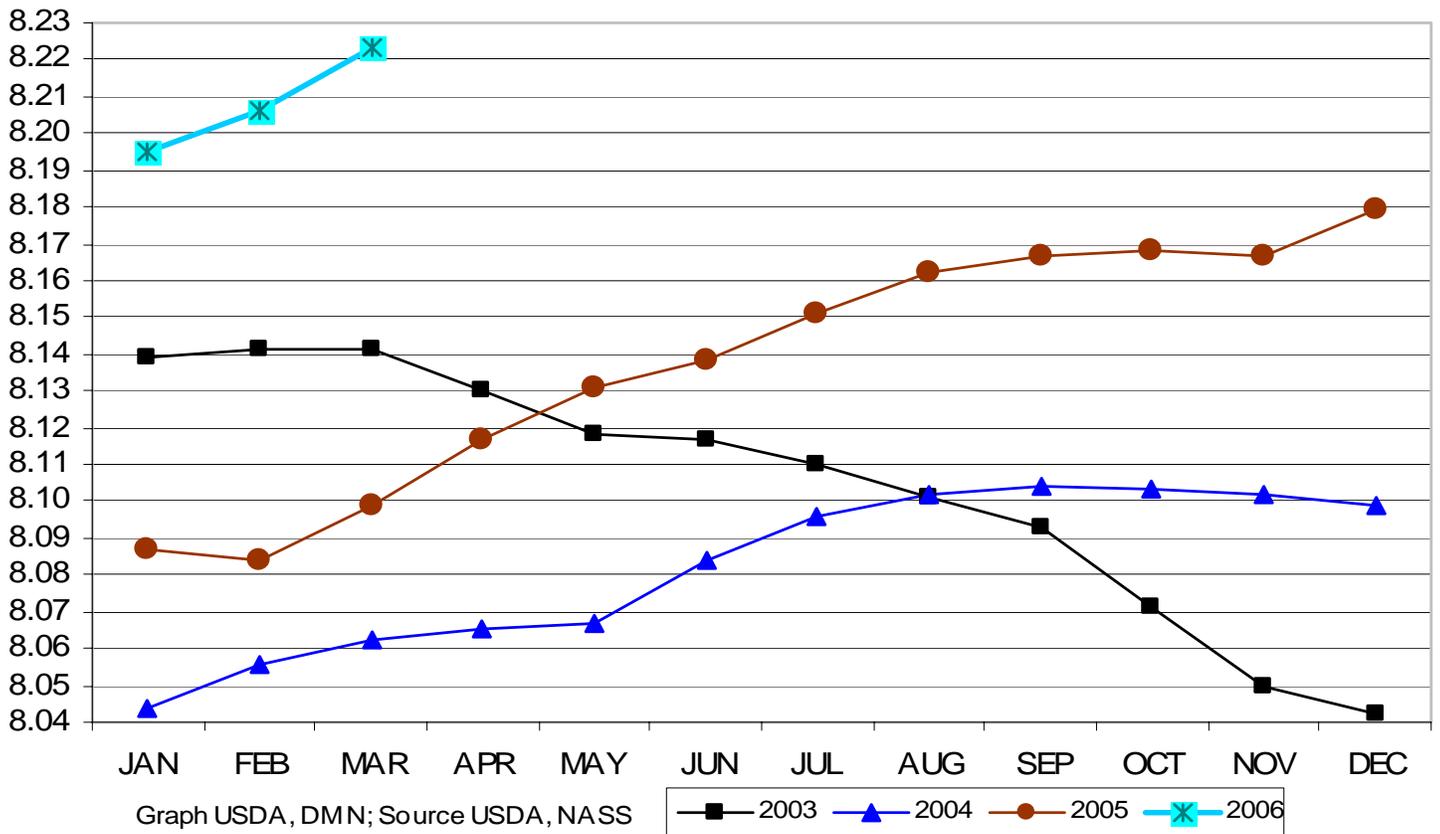
Pounds per Day

23 STATES DAILY AVERAGE MILK OUTPUT PER COW



Million Head

MILK COW NUMBERS - 23 SELECTED STATES



CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 17 - 21, 2006			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/05	SAME PERIOD LAST YEAR	WEEK ENDING 04/14/06	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	8,560,408*	-0-	8,560,408*	9,867,054	31,817,269	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	8,560,408	-0-	8,560,408	9,867,054	31,817,269	-0-	-0-

*CONTAINS 92,931 POUNDS OF MEDIUM HEAT

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 17 - 21, 2006 =	1.9	99.6	COMPARABLE PERIOD IN 2005 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 2005 =	2.2	114.9	CUMULATIVE SAME PERIOD LAST YEAR =	7.0	370.4
CUMULATIVE JANUARY 1 - APRIL 21, 2006 =	2.2	114.9	COMPARABLE CALENDAR YEAR 2005 =	0.0	0.0

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 17 - 21, 2006 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	92,931	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	6,283,427	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	2,184,050	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/05 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
CENTRAL	-0-	-0-	-0-	-0-	92,931	1,331,567	1.0	4.2
WEST	-0-	-0-	-0-	-0-	7,590,073	29,415,099	76.9	92.4
EAST	-0-	-0-	-0-	-0-	2,184,050	1,070,603	22.1	3.4
TOTAL	-0-	-0-	-0-	-0-	9,867,054	31,817,269	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/01/06 & Comparable Week 2005

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2006-Dairy	N.A.	0.5	6.0	2.5	14.8	2.3	0.4	N.A.	14.1	1.4	43.1	615.6	47.1	46.7
2005-Dairy	N.A.	0.6	6.0	2.6	13.9	2.6	1.1	N.A.	12.2	1.3	41.3	653.3	50.9	49.5
2006-All cows	N.A.	0.5	7.2	10.9	26.9	13.1	12.0	N.A.	15.7	1.9	91.6	1,318.4		
2005-All cows	N.A.	0.6	7.4	10.3	24.3	9.7	11.6	N.A.	13.2	1.5	81.2	1,318.6		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14
2005	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30	14.35	13.35	13.37

FEDERAL MILK ORDER CLASS PRICES FOR 2006 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.38	13.38	12.49	11.22	10.97							
II	13.25	12.62	11.69									
III	13.39	12.20	11.11									
IV	12.20	11.10	10.68									

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm